IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF SOUTH CAROLINA FLORENCE DIVISION

REBECCA N. PETERS-MONE and STACEY J. DALBEC, individually and as class representatives,) Civil Action No. 4:06-cv-1326)
Plaintiffs, vs. CLAYTON HOMES INC. and VANDERBILT MORTGAGE AND FINANCE, INC.,	DEFENDANT VANDERBILT MORTGAGE AND FINANCE, INC.'S RESPONSE TO APPLICATION FOR INTERIM APPOINTMENT AS CLASS COUNSEL O
Defendants.)))

Defendant Vanderbilt Mortgage and Finance, Inc. (hereinafter "VMF"), pursuant to Local Civil Rule 7.06 DSC, respectfully submits this response to the Application for Interim Appointment as Class Counsel (the "Application") filed by David H. Breen.

VMF submits that the Application is premature, as plaintiffs' counsel has failed to demonstrate the need for such an interim designation. The Advisory Committee Notes to the 2003 amendments to Rule 23 of the Federal Rules of Civil Procedure state that the Court may "designate interim counsel during the pre-certification period if necessary to protect the interests of the putative class." Fed. R. Civ. P. 23, Advisory Committee Notes to 2003 Amendments (emphasis added). Plaintiffs' counsel has failed to allege why the requested appointment is necessary at this time.

The Advisory Committee Notes further clarify that this amendment to Rule 23 was intended to address those cases in which "there may be rivalry or uncertainty that make formal designation of interim counsel appropriate." Id. However, the "[f]ailure to make the formal designation does not prevent the attorney who filed the action from proceeding in it." Id. In this case, plaintiffs' counsel has made no allegation or forecast of any "rivalry or uncertainty" to justify the requested interim appointment, nor has he demonstrated that he cannot proceed to the certification stage of the case without it. For these reasons, the Application is premature.

VMF expressly reserves the right to object to and oppose any subsequent motion for appointment as class counsel under Rule 23(g)(1) of the Federal Rules of Civil Procedure.

NELSON MULLINS RILEY & SCARBOROUGH LLP

By: s/B. RUSH SMITH III 1320 Main Street / 17th Floor Post Office Box 11070 (29211) Columbia, SC 29201 (803) 799-2000

OF COUNSEL:

Frank A. Hirsch, Jr. Matthew P. McGuire Nelson Mullins Riley & Scarborough LLP GlenLake One, Suite 200 4140 Parklake Avenue P. O. Box 30519 Raleigh, NC 27612 (919) 877-3800

Attorneys for Defendants

July 28, 2006 Columbia, South Carolina